EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations apply in relation to the deferral of retirement pensions, shared additional pension and graduated retirement benefit.

Regulation 2 ensures that in the provision relating to which days are days of increment, increments may, in respect of periods of deferment ending on or after 6th April 2006, accrue in respect of days where a person is both deferring entitlement to his Category A or Category B retirement pension and receiving graduated retirement benefit. That regulation also removes an otiose reference to injury benefit in that provision.

Regulation 3 ensures that in calculating the amount of a lump sum payable to a person whose period of deferment spans 6th April 2005, in all cases, the amount of any increase of retirement pension payable under section 83, 84 or 85 of the Social Security Contributions and Benefits Act 1992 (c. 4) in respect of an adult dependant, shall be excluded when determining the total amount of retirement pension which would have been payable to the person in the previous 12 months if his entitlement had not been deferred.

Regulations 4 and 5 correct erroneous cross references to provisions in the Social Security (Claims and Payments) Regulations 1987 (S.I.1987/1968) in provisions relating to changes of elections to receive either an increase in a pension or benefit or a lump sum.

Regulation 6 amends regulation 5 of the Social Security (Payments on account, Overpayments and Recovery) Regulations 1988 (S.I.1988/664) so that sums paid following deferral of entitlement to retirement pension, shared additional pension or graduated retirement benefit and which are made under a decision which is subsequently revised, superseded or overturned on appeal, must be offset against such payments as are due under the subsequent determination.

A full Regulatory Impact Assessment has not been produced for this instrument as it has no impact on the cost of business, charities or voluntary bodies.